

CAPITAL ASSISTANCE PROJECT OF LOUISIANA, INC.

**Audited Financial Statements and
Other Financial Information**

SHREVEPORT, LOUISIANA

JUNE 30, 2013

CAPITAL ASSISTANCE PROJECT OF LOUISIANA, INC.

SHREVEPORT, LOUISIANA

TABLE OF CONTENTS

AUDITED FINANCIAL STATEMENTS

	<u>Page</u>
Independent Auditor's Report	1-2
<u>Audited Financial Statements:</u>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7-9

SUPPLEMENTARY INFORMATION

Supplementary Information-Board of Directors	10
--	----

OTHER REPORTS

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	11-12
Schedule of Findings and Questioned Costs	13
Summary Schedule of Prior Findings	14
Corrective Action Plan	15

AUDITED FINANCIAL STATEMENTS

HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

September 6, 2013

The Board of Directors
Capital Assistance Project of Louisiana, Inc.
Shreveport, Louisiana

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of Capital Assistance Project of Louisiana, Inc., which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

HMV

A PROFESSIONAL SERVICES FIRM
SHREVEPORT • MONROE • DELHI

hmv@hmvcpa.com E-MAIL
www.hmvcpa.com WEB ADDRESS

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capital Assistance Project of Louisiana, Inc. as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2013 on our consideration of Capital Assistance Project of Louisiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Capital Assistance Project of Louisiana, Inc.'s internal control over financial reporting and compliance.

Shreveport, Louisiana

Heard, McElroy, Vestal, LLC

CAPITAL ASSISTANCE PROJECT OF LOUISIANA, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2013

A S S E T S

Current assets:

Cash-unrestricted	836,579
Total current assets	836,579

Fixed assets:

Furniture	11,182
Computer equipment	34,845
Total fixed assets	46,027
Less-accumulated depreciation	(18,220)
Book value of fixed assets	27,807

Other assets:

Lease deposits	5,715
----------------	-------

Total assets	870,101
--------------	---------

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	-
Total current liabilities	-

Total liabilities	-
-------------------	---

<u>Net assets</u>	870,101
--------------------------	---------

Total liabilities and net assets	870,101
----------------------------------	---------

The accompanying notes are an integral part of the financial statements.

CAPITAL ASSISTANCE PROJECT OF LOUISIANA, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2013

Income:

Louisiana Public Defenders Board	1,399,787
Total income	1,399,787

Expense:

Automobile	30,320
Contract labor	13,350
Retirement contributions	60,915
Depreciation	8,187
Expert witness	32,067
Health reimbursement account	32,320
Insurance-health	185,276
Insurance-liability and other	10,479
Office supplies	13,227
Salaries and payroll taxes	789,264
Rent expense	70,330
Telephone	9,664
Travel	63,963
Miscellaneous	53,420
Total expense	1,372,782

<u>Income from operations</u>	27,005
--------------------------------------	--------

Other income:

Interest	1,204
Other	27,288
Total other income	28,492

<u>Change in net assets</u>	55,497
------------------------------------	--------

The accompanying notes are an integral part of the financial statements.

CAPITAL ASSISTANCE PROJECT OF LOUISIANA, INC.

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2013

<u>Balance-beginning of period</u>	814,604
Change in net assets	<u>55,497</u>
<u>Balance-end of period</u>	<u>870,101</u>

The accompanying notes are an integral part of the financial statements.

CAPITAL ASSISTANCE PROJECT OF LOUISIANA, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2013

Cash flows from operating activities:

Change in net assets	55,497
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	8,187
<u>Changes in operating assets and liabilities:</u>	
(Increase) in lease deposits	-
(Decrease) in accounts payable	(3,500)
Total adjustments	4,687
Net cash provided by operating activities	60,184

Cash flows from investing activities:

Purchase of equipment	(7,644)
Net cash (used) by investing activities	(7,644)

Increase in cash and cash equivalents 52,540

Cash and cash equivalents-beginning of period 784,039

Cash and cash equivalents-end of period 836,579

Cash payments:

Interest paid	-
Income taxes paid	-

The accompanying notes are an integral part of the financial statements.

CAPITAL ASSISTANCE PROJECT OF LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

1. Nature of Activities

Capital Assistance Project of Louisiana, Inc. (CAPOLA) was organized as a non-profit corporation without capital stock under the laws of the State of Louisiana as defined in Louisiana R.S. 12:201(7). The Corporation was formed for the purpose of operating a facility for the legal representation of indigents, and for performing any other non-profit activities as determined by its Board of Directors. Such activities are limited to those activities that are permissible for tax-exempt corporations under the Internal Revenue Code Section 501(c)(3).

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of Capital Assistance Project of Louisiana, Inc. have been prepared on the accrual basis of accounting. All resources for various purposes are currently unrestricted funds available for current operations, and therefore, the Corporation has no temporarily restricted or permanently restricted net assets.

Fixed Assets

The Corporation records assets at cost and has a practice of capitalizing all expenditures for furniture, fixtures and equipment in excess of a specified amount (\$500). Depreciation of furniture, fixtures and equipment is provided on the straight-line basis over the estimated useful life of the related asset. Expenditures for major renewals or betterments which extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are expensed as incurred.

Statement of Cash Flows

For financial statement purposes, the Corporation considers all demand deposits and deposits in money market funds to be cash equivalents. Cash equivalents are stated at cost, approximating market value.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Income Taxes

As a nonprofit, privately supported, Corporation, the CAPOLA is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code, but must file an annual return with the Internal Revenue Service that contains information on its financial operations. Therefore, no provision for income taxes has been made in the financial statements. The Corporation is required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it continues to qualify as a tax exempt entity. It must also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. In addition, as a tax exempt entity, the Corporation must assess whether it has any tax positions associated with unrelated business income subject to income tax. The Corporation does not expect any of these tax positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Corporation's accounting records.

2. Summary of Significant Accounting Policies (Continued)

The Corporation is required to file U.S. federal Form 990 for informational purposes. Its federal income tax returns for the tax years 2009 and subsequent remain subject to examination by the Internal Revenue Service.

Revenue Recognition

The Corporation receives funding from grants and contracts from the State of Louisiana through the Louisiana Public Defenders Board. Support received from these grants and contracts is recognized on a net funded basis. All contributions are considered to be available for unrestricted use unless specifically restricted by the contract agreements. Amounts received that are specifically designated for future periods or restricted by contract for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and report in the statement of activities as net assets released from restriction.

Advertising

The costs of non-direct response advertising are expensed as incurred, and during the year ended June 30, 2013 total advertising expense was \$-0-.

Description of Projects

CAPOLA provides legal representation, in the form of "criminal defense services at trial," in capital cases where there exists an ethical conflict in the representation of indigents by the First Judicial District Public Defender Office, the Eighth Judicial Public Defender Office, the Twenty-Eighth Judicial District Public Defender Office, the Thirty-Fifth Judicial District Public Defender Office, the Thirty-Ninth Judicial District Public Defender Office, and in other capital cases in parishes statewide as needed; in cases remanded on appeal for further hearings or retrial statewide, subject to agreement with the local Public Defender Office; and in cases statewide where appointed counsel has sought consultation services and provision of those services has been approved by the State Public Defender and CAPOLA. Criminal defense services rendered by CAPOLA pursuant to this agreement are provided only to defendants being prosecuted for crimes which, if convicted, would subject the accused to the death penalty. Representation by CAPOLA is limited to a caseload of 3-5 defendants per attorney with consideration given to complexity (both factual and legal) and geographic constraints, or at the discretion of the State Public Defender, the caseload limit may be changed. For purposes of this statement, the term case means a single charge or set of charges concerning a defendant in one court in one proceeding. An appeal or other action for post judgment review by a higher court is a separate case. The caseload limit may be changed by agreement between the State Public Defender and CAPOLA. All attorneys must meet or exceed the minimal qualifications for capital case representation.

Compensated Absences

Employees are entitled to paid vacations, sick days and other time off depending on job classification, length of service and other factors. The Corporation does not accumulate vacation and sick time. The estimate for the amount of compensation for future absences was immaterial and accordingly, no liability has been recorded in the accompanying financial statements. The Corporation's policy is to recognize the costs of compensated absences when paid to employees.

3. Commitments and Contingencies

As of November 1, 2010, the Corporation was obligated under a non-cancellable operating lease for office space which the Corporation uses as its central location for operations. The lease is for three (3) years, commencing November 1, 2010 and ending October 31, 2013, in the amount of \$5,715 per month including common operating expenses. If either party desires to terminate the lease at or on the

3. Commitments and Contingencies (Continued)

expiration date, a thirty (30) day notice must be given, and if the lease is converted to a month to month tenancy as provided, then the monthly lease increases to \$6,250 per month.

The required minimum lease payments under the terms of the lease at June 30, 2013 are as follows:

2014	22,860
2015	-
2016	-
2017	-
2018	-
	<u>22,860</u>

4. Fixed Assets

The following is a summary of the Corporations fixed assets as of June 30, 2013:

Furniture	11,182
Computers	<u>34,845</u>
	46,027
Less-accumulated depreciation	<u>(18,220)</u>
	<u>27,807</u>

Total depreciation expense charged to operations was \$8,187 for the year ended June 30, 2013.

5. Fair Values of Financial Instruments

The Corporation's financial instruments consist of cash, accounts payable, and security deposits. The carrying values of these instruments approximate their fair values.

6. Related Party Transactions

Capital Assistance Project of Louisiana, Inc. rents a portion of its office space to its Executive Director for use in his legal practice, separate and apart from his duties related to this entity. The rent is \$125 per month, and is on a month-to-month basis with no formal lease agreement in effect as of the date of these financial statements. Total related party rental income received by the Corporation was \$1,500 for the year ended June 30, 2013.

7. Subsequent Events

In accordance with FASB Accounting Standards Codification Topic 740, "Subsequent Events," the Capital Assistance Project of Louisiana, Inc evaluated events and transactions that occurred after the balance sheet date but before the financial statements were made available, for potential recognition or disclosure in the financial statements. It performed such an evaluation through September 6, 2013, the date which the financial statements were available to be issued, and noted no such subsequent events.

SUPPLEMENTARY INFORMATION

CAPITAL ASSISTANCE PROJECT OF LOUISIANA, INC.

SUPPLEMENTARY INFORMATION

BOARD OF DIRECTORS

JUNE 30, 2013

Mr. Laurance Guidry
4055 St. Vincent Avenue
Shreveport, Louisiana 71108
Phone 318-861-4808

Mr. Jerry Harper
Attorney at Law
213 Texas Street
Shreveport, LA 71101
jerry@harperfirm.com
Assistant: Denise (denise@harperfirm.com)
Phone 318-213-8800

Mr. Robert Piper, Jr.
Piper & Associates
624 Pierre Avenue
Shreveport, LA 71103
Phone 318-226-0826

Father Karl Daigle
211 Atlantic Avenue
Shreveport, Louisiana 71105

Don Weir, Jr.
Attorney at Law
725 Southfield Road
Shreveport, Louisiana 71106

Richard C. Goorley, Executive Director
631 Milam Street, #200
Shreveport, LA 71101
gauchozip@yahoo.com
Assistant: Jeri (jeri@capola.com)
Phone 318-222-3778

OTHER REPORTS

HEARD, McELROY, & VESTAL

L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

September 6, 2013

The Board of Directors
Capital Assistance Project of Louisiana, Inc.
Shreveport, Louisiana

**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards**

Independent Auditor's Report

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Capital Assistance Project of Louisiana, Inc., which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 6, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Capital Assistance Project of Louisiana, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Capital Assistance Project of Louisiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Capital Assistance Project of Louisiana, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether Capital Assistance Project of Louisiana, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Shreveport, Louisiana

Heard, McElroy, Vestal, LLC

CAPITAL ASSISTANCE PROJECT OF LOUISIANA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2013

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Capital Assistance Project of Louisiana, Inc.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Capital Assistance Project of Louisiana, Inc. were disclosed during the audit.

B. Findings-Financial Statement Audit

None

C. Findings and Questioned Costs – Major Federal Award Projects Audit

Not applicable

CAPITAL ASSISTANCE PROJECT OF LOUISIANA, INC.

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED JUNE 30, 2013

There were no findings as a result of the prior year audit.

CAPITAL ASSISTANCE PROJECT OF LOUISIANA, INC.

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED JUNE 30, 2013

There were no findings relative to the current year June 30, 2013 audit.